



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285**

**DAVE GOETZ
COMMISSIONER**

**FOR IMMEDIATE RELEASE
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JUNE REVENUES

NASHVILLE - Tennessee's continued economic progress has resulted in better than budgeted revenue growth for the month of June. Corporate tax revenues continue to outperform projections, as overall June revenues came in at \$97.3 million more than the state budgeted.

"It's clearly an indication that the business climate continues to excel in Tennessee," Finance and Administration Commissioner Dave Goetz said. "Tennessee continues to attract new employers to the state and expand existing businesses, but the other real success is how we have managed our revenues to reflect our goals in education and jobs."

On an accrual basis, June is the eleventh month in the 2005-2006 fiscal year. Department of Revenue collections were \$1,104.5 million.

The general fund was \$97.0 million overcollected and the four other funds overcollected by \$.3 million.

Sales tax collections were \$30.7 million more than the estimate for June. For eleven months revenues were overcollected by \$134.1 million.

Franchise and excise taxes were \$45.6 million more than the estimate of \$210.3 million. For eleven months revenues were \$121.9 million overcollected.

Gasoline and motor fuel collections were \$1.4 million below the budgeted estimate of \$72.0 million. For eleven months, collections were \$10.0 million more than the estimate.

Year-to-date collections for eleven months were \$347.1 million more than the budgeted estimate. The general fund was overcollected by \$328.3 million and the four other funds were overcollected by \$18.8 million.

The budgeted revenue estimates are based on the State Funding Board's consensus recommendation adopted by the first session of the 104th General Assembly in May of last year.

The revised estimates adopted by the second session of the 104th General Assembly in May of this year assume a surplus of \$169.0 million in sales tax collections, \$61.6 million in franchise and excise taxes, and a general fund surplus of \$ 283.9 million.

<p align="center">REVENUE COLLECTIONS JUNE, 2006, AND 11 MONTHS YEAR-TO-DATE</p>

June Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund			
Highway Fund	\$867,111,000	\$964,106,000	\$96,995,000
Sinking Fund	57,944,000	57,539,000	(405,000)
City & County Fund	23,058,000	23,268,000	210,000
Earmarked Fund	56,799,000	57,356,000	557,000
Total	2,303,000	2,200,000	(103,000)
	\$1,007,215,000	\$1,104,469,000	\$97,254,000

Year-To-Date Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund			
Highway Fund	\$7,626,956,000	\$7,955,223,000	\$328,267,000
Sinking Fund	592,444,000	594,296,000	1,852,000
City & County Fund	253,762,000	254,599,000	837,000
Earmarked Fund	649,078,000	668,493,000	19,415,000
Total	28,602,000	25,307,000	(3,295,000)
	\$9,150,842,000	\$9,497,918,000	\$347,076,000

Table 1
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	June			
	2005	2006	Change	Percent
Franchise & Excise	\$238,298,000	\$255,859,000	\$17,561,000	7.37%
Income	1,457,000	1,984,000	527,000	36.17%
Inheritance & Estate	1,973,000	4,711,000	2,738,000	138.77%
Gasoline	53,228,000	50,983,000	-2,245,000	-4.22%
Petroleum Special	5,563,000	5,540,000	-23,000	-0.41%
Tobacco	12,343,000	10,462,000	-1,881,000	-15.24%
Beer	1,689,000	1,761,000	72,000	4.26%
Motor Vehicle Registration	32,375,000	24,952,000	-7,423,000	-22.93%
Motor Vehicle Title	1,013,000	993,000	-20,000	-1.97%
Mixed Drink	3,730,000	4,363,000	633,000	16.97%
Business	99,456,000	104,059,000	4,603,000	4.63%
Privilege	46,920,000	47,820,000	900,000	1.92%
Gross Receipts	16,000	831,000	815,000	5,093.75%
TVA - In Lieu of Tax Payments	18,039,000	18,344,000	305,000	1.69%
Alcoholic Beverage	3,314,000	3,540,000	226,000	6.82%
Sales and Use	514,845,000	553,872,000	39,027,000	7.58%
Motor Vehicle Fuel	15,095,000	14,077,000	-1,018,000	-6.74%
Severance	144,000	154,000	10,000	6.94%
Coin-operated Amusement	25,000	90,000	65,000	260.00%
Unauthorized Substance	0	74,000	74,000	NA
Total	\$1,049,523,000	\$1,104,469,000	\$54,946,000	5.24%

Table 2
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	August - June			
	2004-2005	2005-2006	Change	Percent
Franchise & Excise	\$1,289,999,000	\$1,435,346,000	\$145,347,000	11.27%
Income	154,550,000	191,883,000	37,333,000	24.16%
Inheritance & Estate	77,134,000	69,780,000	-7,354,000	-9.53%
Gasoline	556,989,000	552,118,000	-4,871,000	-0.87%
Petroleum Special	58,233,000	58,903,000	670,000	1.15%
Tobacco	110,516,000	115,915,000	5,399,000	4.89%
Beer	16,206,000	16,732,000	526,000	3.25%
Motor Vehicle Registration	226,757,000	230,358,000	3,601,000	1.59%
Motor Vehicle Title	10,472,000	10,080,000	-392,000	-3.74%
Mixed Drink	39,378,000	44,902,000	5,524,000	14.03%
Business	113,195,000	116,562,000	3,367,000	2.97%
Privilege	267,346,000	305,322,000	37,976,000	14.20%
Gross Receipts	13,569,000	14,126,000	557,000	4.10%
TVA - In Lieu of Tax Payments	196,893,000	201,675,000	4,782,000	2.43%
Alcoholic Beverage	34,399,000	36,484,000	2,085,000	6.06%
Sales and Use	5,542,687,000	5,930,748,000	388,061,000	7.00%
Motor Vehicle Fuel	156,820,000	164,293,000	7,473,000	4.77%
Severance	1,338,000	1,655,000	317,000	23.69%
Coin-operated Amusement	94,000	156,000	62,000	65.96%
Unauthorized Substance	0	880,000	880,000	NA
Total	\$8,866,575,000	\$9,497,918,000	\$631,343,000	7.12%

Table 3
August - June Revenue Overcollections/(Undercollections)
Budgeted Estimate

	General Fund	Other Funds	Total
Sales Tax	\$ 128,200,000	\$ 5,900,000	\$ 134,100,000
Income Tax	22,100,000	8,500,000	30,600,000
Inheritance Tax	(16,600,000)	0	(16,600,000)
Privilege Tax	39,500,000	(3,300,000)	36,200,000
Business Tax	17,600,000	0	17,600,000
TVA	(200,000)	(200,000)	(400,000)
Gross Receipts	2,200,000	0	2,200,000
Gasoline & Motor Fuel Taxes	100,000	9,900,000	10,000,000
Motor Vehicle Registration	(1,300,000)	(4,800,000)	(6,100,000)
Other Taxes	14,800,000	2,800,000	17,600,000
Sub-Total	\$ 206,400,000	\$ 18,800,000	\$ 225,200,000
F & E Taxes	121,900,000	0	121,900,000
Total	\$ 328,300,000	\$ 18,800,000	\$ 347,100,000